

*Sub*

# GIANT EXPLORATIONS LIMITED

N.P.L.

806 - 1111 WEST HASTINGS STREET, VANCOUVER 1, B.C.



1968

## THIRD ANNUAL REPORT





**THIRD ANNUAL REPORT**

# **GIANT EXPLORATIONS LIMITED**

*(Non-Personal Liability)*

(Incorporated under the laws of the Province of British Columbia)

Listed on the Vancouver Stock Exchange.

---

**DIRECTORS** B. O. BRYNELSEN, P.Eng., Vancouver  
J. L. GIBSON, Vancouver  
W. C. GIBSON, Vancouver  
H. A. McDIARMID, Vancouver  
M. M. MENZIES, P.Eng., Vancouver  
L. P. STARCK, P.Eng., Vancouver

**OFFICERS** W. C. GIBSON, President  
L. P. STARCK, P.Eng., Vice-President and General Manager  
A. H. AINSWORTH, B.C.L., Secretary  
S. CLARKE, F.C.I.S., Treasurer

**GENERAL MANAGER** L. P. STARCK, P.Eng., Vancouver

**REGISTERED OFFICE** 625 - 925 West Georgia Street, Vancouver

**ADMINISTRATIVE OFFICE** 806 - 1111 West Hastings Street, Vancouver

**REGISTRAR AND TRANSFER AGENTS** Canada Permanent Trust Company, Vancouver

**GENERAL COUNSEL** Ainsworth, Henson, Norby, Purvis & Kendall, Vancouver

**AUDITORS** Thorne, Gunn, Helliwell & Christenson, Vancouver

**ANNUAL GENERAL MEETING MARCH 28, 1969, 3:00 P.M.,  
HOTEL VANCOUVER, VANCOUVER, B.C.**

# GIANT EXPLORATIONS LIMITED

*(Non-Personal Liability)*

## REPORT OF THE DIRECTORS

To the Shareholders of

Giant Explorations Limited (N.P.L.)

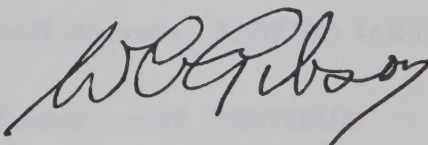
We are pleased to present the Company's Third Annual Report.

As you will see from the General Manager's Report, this has been an active year for the Company. To maintain this activity and to ensure its continuation next season, the Company obtained an underwriting from Hemsworth, Turton & Co. Ltd. and Carlisle, Douglas and Company Limited in September. Initially, 200,000 shares were taken up at 35¢ per share and then in December an option to purchase a further 200,000 shares at 45¢ per share was exercised. A final option on a further 200,000 shares at 55¢ per share is exercisable later this month.

Concurrently with the participation by their group in Giant Mascot Mines Limited, B.O. Brynelsen and Morris M. Menzies joined the Board of Directors of Giant Explorations in December. The Company will undoubtedly benefit from their years of experience in the exploration field. At the forthcoming Annual General Meeting it is proposed to increase the number of directors to seven, and to elect Jack Austin, another member of the group, to the Board.

The Directors wish to thank the Management and Staff for the excellent work on the Company's behalf during the past year.

On behalf of the Board,

A handwritten signature in dark ink, appearing to read 'W.C. Gibson', written in a cursive style.

Vancouver, B.C.  
March 5, 1969

W. C. GIBSON  
President



# GIANT EXPLORATIONS LIMITED

*(Non-Personal Liability)*

February 26, 1969

President and Directors,  
Giant Explorations Limited (N.P.L.),  
806 - 1111 West Hastings Street,  
Vancouver 1, B.C.

Dear Sirs:

Giant Explorations Limited (N.P.L.) holds interests, wholly, or in part, in seven prospects in British Columbia, two in the Northwest Territories and one in the Yukon Territory, covering the metal spectrum of copper, lead, zinc, silver, molybdenum, gold and nickel.

## PROPERTIES

### 1) NAHWITTI LAKE: 108 recorded mineral claims.

Thirty additional mineral claims were located in 1968 to cover an interesting magnetic high to the north of the original Nahwitti claim block, situate 17 miles west of Port Hardy, B.C. Geochemical soil and stream sampling and geological mapping on this new acquisition disclosed the presence of sphalerite, chalcopryite and magnetite and outlined a widespread area of coincident anomalous geochemical copper and zinc values.

The mineralized showings on the original claim group, which adjoins Utah Construction and Mining Company ground on the south, were explored in more detail by stripping, rock trenching, geological mapping and diamond drilling. A total of 1870 feet of diamond drilling was completed on the Contact Creek, H.P.H. No. 1 and H.P.H. No. 3 areas. Interesting values in lead, zinc and copper were obtained which, although not of economic significance, were invaluable in further defining the mineralization and structural controls.

Exploration of several of the mineralized showings and areas of potential mineralization, as indicated by geochemical and geophysical work, was hampered during the latter part of 1968 by logging activities on the claim group. Extension of these activities may continue to limit the planned program in the coming field season.

### 2) F.G.P.: 24 recorded mineral claims.

An option was obtained on an interesting copper property at Neroutsos Inlet, Vancouver Island, B.C., situate 5 miles south of the main Utah-Port Hardy copper discovery. A geological and geochemical survey, together with diamond drilling, has indicated the presence of copper mineralization to shallow depths averaging 1% over widths of up to 25 feet and a strike length of some 400 feet. This zone is opened to the west and further work is planned to explore it along strike.

### **3) HEDLEY SYNDICATE: 50% interest.**

Geochemical stream silt sampling and geological reconnaissance carried out by the Hedley Syndicate in the southwestern Okanagan of British Columbia resulted in the discovery of two new anomalous areas. Claims were staked in both areas, but as the discoveries were made late in the field season, little followup work was possible. Detailed geochemical soil sampling and prospecting will be carried out on these claim groups this season. In addition, the Hedley Syndicate, which is a fifty-fifty joint participation by Pacific Petroleum Limited and Giant Explorations Limited (N.P.L.), will also expand its prospecting venture into new areas which have promising copper, silver and molybdenum possibilities.

### **4) G.M. GROUP: 50% interest in 330 mineral claims.**

Giant Explorations Limited (N.P.L.) holds a 50% interest in 330 mineral claims near Artillery Lake — Hanbury River area, Northwest Territories. These claims were located early in the staking rush that was precipitated by reports of the discovery of copper and nickel in a belt of ultrabasic intrusives lying some 250 miles to the east of Yellowknife. This ground, which lies close to Newmont's holdings, is well situated as it covers strongly-defined magnetic features and copper and iron sulphides have been noted on it.

This property is of prime interest and a vigorous program of exploration will be carried out on it in 1969. Western Explorations Ltd. and Abidonne Oils Limited will participate with your Company in this venture on a fifty-fifty basis.

### **5) OTHER HOLDINGS:**

The O.K. Group of 16 recorded mineral claims in the Vangorda-Dynasty area of the Yukon, and the Mag Group of 40 recorded mineral claims in the Pine Point area of the Northwest Territories, were maintained in good standing during the year. Work is scheduled for the O.K. Group during 1969 when four magnetic anomalies, previously outlined, will be explored by geophysical and geochemical means.

The Penn Group of 52 recorded mineral claims at Babine Lake, in which Giant Explorations Limited (N.P.L.) holds a 25% interest, was held dormant during the year.

The Copper Mountain mineral leases were placed in good standing for another year. Some exploration was carried out on the property during 1968, but with inconclusive results.

### **6) PROPERTIES RELINQUISHED:**

The Quartz Mineral Exploration Permits in northeastern Alberta, which were examined by aerial and ground radiometric surveys; and the Sulphur Permit in the Fort Vermillion area of Alberta, which was drilled on a farm-out agreement with Sinclair Canada Oil Company, were allowed to lapse as no values of economic interest were found. The A.B. and Likely Groups and options on the Ann, Polly, Jim Kelly Creek and Cyclops properties were relinquished after carrying out geochemical and geological surveys.



## MISCELLANEOUS EXAMINATIONS

A large number of properties were researched during the year and some 36 of these were examined in detail. An option is currently being acquired on the Tenderfoot claim in the Kamloops area, B.C., where interesting copper mineralization has been found.

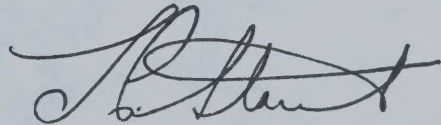
A number of other property offers are awaiting examination and study.

## EXPENDITURES

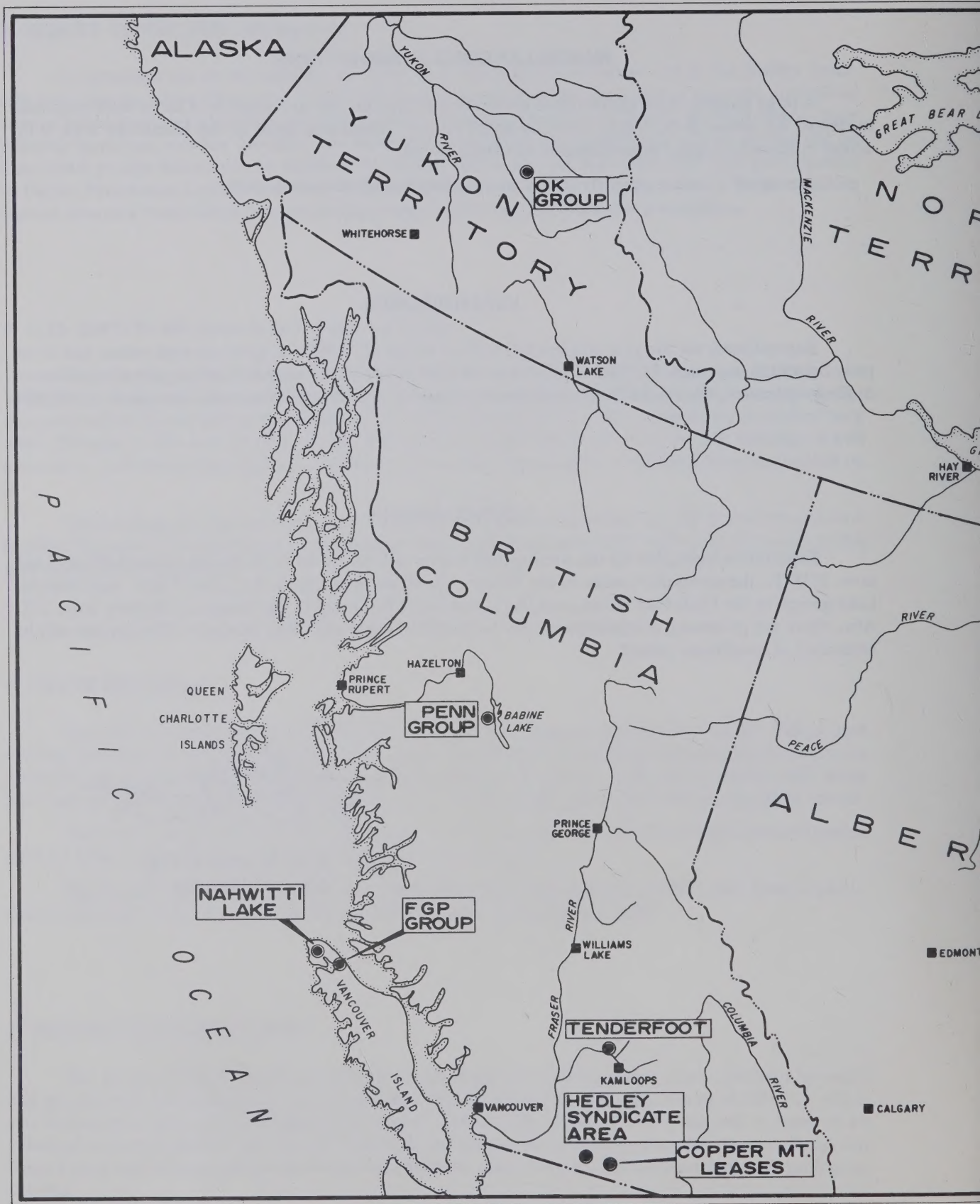
Expenditures for the year totalled \$214,987 of which \$177,583 was spent on exploration and Company operating expenses, \$17,946 on capital items such as vehicles, camp and field equipment, diamond drilling equipment, etc., and \$19,458 on property payments. Income on investments amounted to \$10,159.

## CONCLUSIONS

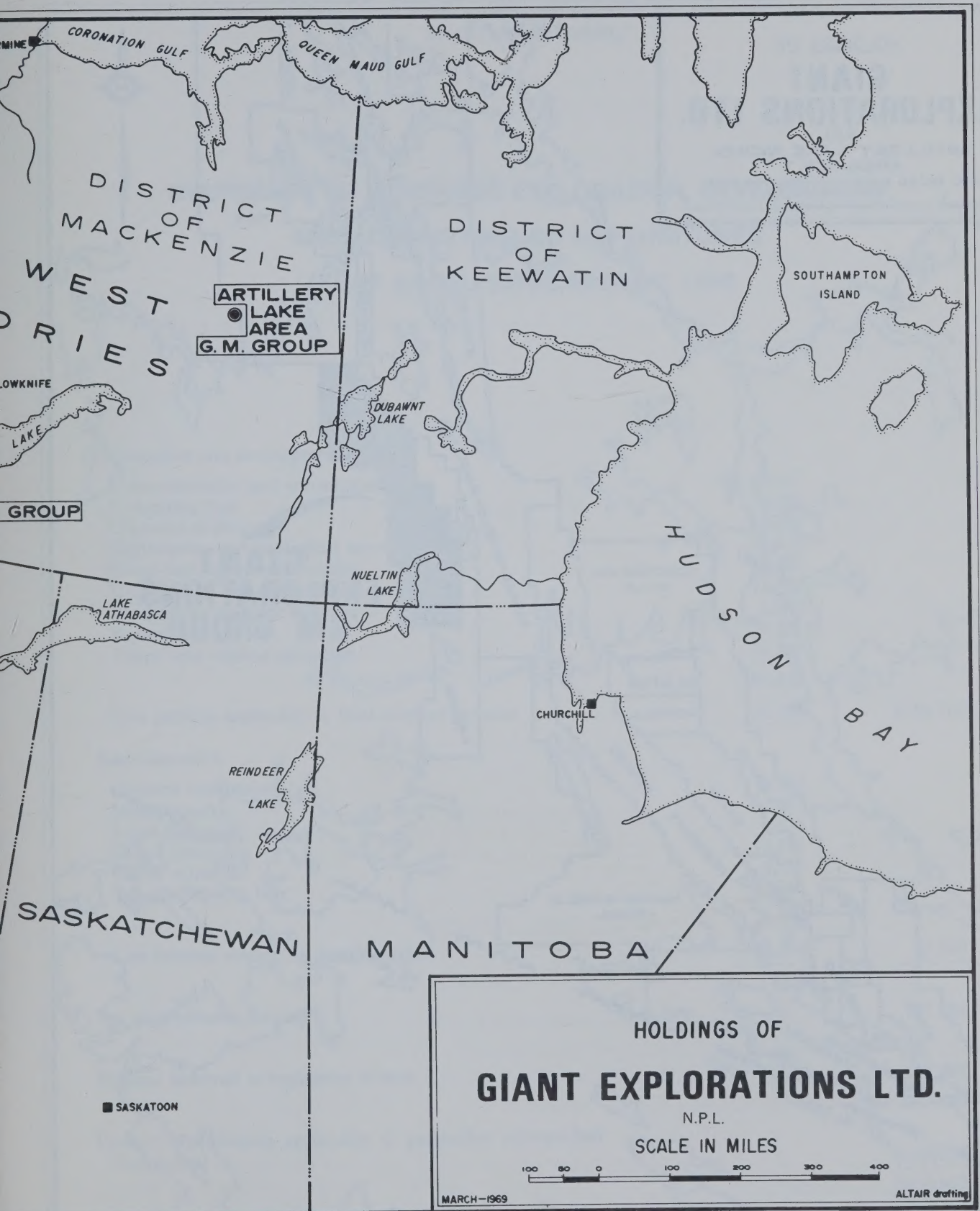
Exploration highlights for the coming field season will be on the G.M. Group in the Artillery Lake area, N.W.T., the anomalous areas of the Hedley Syndicate in southern B.C., the F.G.P. and Nahwitti Lake groups in the Utah-Port Hardy area, B.C., and the O.K. Group in the Vangorda-Dynasty area, Y.T. Also, there are promising possibilities on the Tenderfoot Group and other property offerings that will be examined as conditions permit.

A handwritten signature in dark ink, appearing to read 'L. P. Starck', with a stylized, flowing script.

L. P. STARCK, P.Eng.  
General Manager.





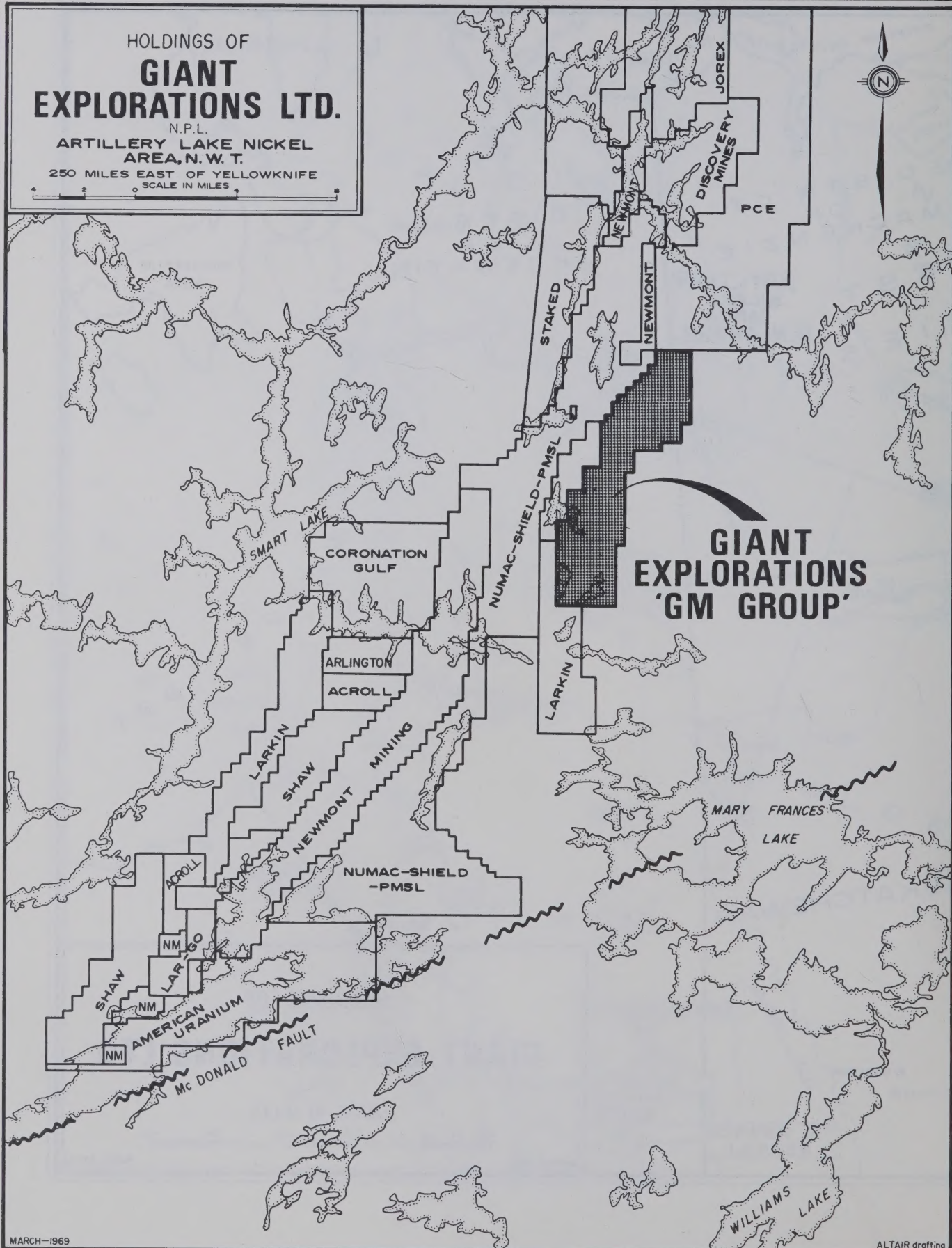
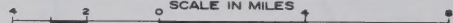


HOLDINGS OF  
**GIANT  
EXPLORATIONS LTD.**

N.P.L.  
ARTILLERY LAKE NICKEL  
AREA, N.W.T.

250 MILES EAST OF YELLOWKNIFE

SCALE IN MILES





# GIANT EXPLORATIONS LIMITED

*(Non-Personal Liability)*

## STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATION EXPENDITURES YEAR ENDED NOVEMBER 30, 1968

### Exploration and development

Camp operation and accommodation . . . . .	\$ 18,017	
Consulting fees . . . . .	6,024	
Diamond drilling . . . . .	14,310	
Engineering and geological surveys . . . . .	51,676	
Filing fees, assays and sundry . . . . .	18,486	
Geophysical and geochemical surveys . . . . .	11,350	
Prospecting and line cutting . . . . .	4,880	
Supervision . . . . .	19,576	
Travel and vehicle operating . . . . .	23,109	
	<u>167,428</u>	
Less portion applicable to joint-venture partners . . . . .	<u>23,314</u>	\$144,114

### Administration

General supervision . . . . .	6,900	
Insurance . . . . .	887	
Legal and audit . . . . .	6,973	
Office operating . . . . .	12,179	
Public relations . . . . .	4,033	
Transfer agent's fees . . . . .	2,497	
	<u>33,469</u>	
Less interest earned on term deposits . . . . .	<u>10,159</u>	<u>23,310</u>

Net expenditures for year . . . . . 167,424

Balance deferred at beginning of year . . . . . 187,086  
354,510

Deduct expenditures applicable to properties relinquished  
during year . . . . . 100,638  
\$253,872

# GIANT EXPLORATIONS LIMITED

(Non-Personal Liability)

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 1968

### 1. VEHICLES AND EXPLORATION EQUIPMENT

No depreciation of vehicles and equipment has been recorded in the accounts. It is the company's policy to write-off to deficit the cost less proceeds of sale applicable to each asset at the time of disposal or abandonment.

### 2. CAPITAL STOCK

Capital stock has been issued for the following consideration:

	Shares	Amount
Cash .....	1,453,224	\$676,612
Mineral rights .....	<u>516,000</u>	<u>58,000</u>
	<u>1,969,224</u>	<u>\$734,612</u>

During the year 400,000 shares were issued for \$150,000 cash.

At the balance sheet date an underwriting option agreement was outstanding which provides for the purchase of shares as follows:

200,000 shares at 45¢ before December 19, 1968

200,000 shares at 55¢ before March 19, 1969

Subsequent to the balance sheet date the option for 200,000 shares at 45¢ was exercised.

### 3. DEFICIT

	1968	1967
Balance at beginning of year .....	<u>\$ 84,086</u>	<u>\$37,630</u>
Add		
Cost of mineral claims and option interests relinquished	30,595	1,135
Exploration, development and administration expenditures applicable to properties relinquished .....	100,638	45,321
Underwriting and organization costs written off .....	<u>45,365</u>	<u>—</u>
	<u>176,598</u>	<u>46,456</u>
Balance at end of year .....	<u>\$260,684</u>	<u>\$84,086</u>



# GIANT EXPLORATIONS LIMITED

(Non-Personal Liability)

(Incorporated under the laws of the Province of British Columbia)

## BALANCE SHEET AT NOVEMBER 30, 1968

(with comparative figures at November 30, 1967)

	1968	1967
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash .....	\$ 42,058	\$ 45,271
Short-term deposits .....	50,000	100,429
Marketable securities, at cost .....	1,231	—
Accounts receivable .....	13,040	5,306
Prepaid expenses and work deposits .....	6,500	6,903
	<u>112,829</u>	<u>157,909</u>
VEHICLES AND EXPLORATION EQUIPMENT, at cost (Note 1) .....	56,850	38,904
MINERAL CLAIMS AND OPTION INTERESTS, at cost .....	67,831	78,968
DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATION EXPENDITURES .....	253,872	187,086
UNDERWRITING AND ORGANIZATION COSTS .....	—	45,365
	<u>\$491,382</u>	<u>\$508,232</u>

## LIABILITIES

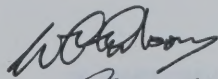
### CURRENT LIABILITIES

Accounts payable and accrued liabilities .....	\$ 10,383	\$ 4,323
Due to affiliated companies .....	7,071	3,383
	<u>17,454</u>	<u>7,706</u>

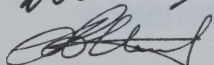
### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK (Note 2)

Authorized 5,000,000 shares of no par value		
Issued 1,969,224 shares (1967 - 1,569,224) .....	734,612	584,612
DEFICIT (Note 3) .....	260,684	84,086
Approved on behalf of the Board:	<u>473,928</u>	<u>500,526</u>



Director



Director

\$491,382

\$508,232

The attached notes are an integral part of the financial statements.

# GIANT EXPLORATIONS LIMITED

(Non-Personal Liability)

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED NOVEMBER 30, 1968

(With comparative figures for 1967)

	1968	1967
Source of funds		
Issue of 400,000 shares .....	\$150,000	—
Interest earned .....	<u>10,159</u>	<u>\$ 14,123</u>
	<u>160,159</u>	<u>14,123</u>
Application of funds		
Additions to vehicles and exploration equipment .....	17,946	4,725
Purchase of mineral claims and option payments .....	19,458	6,736
Exploration, development and administration expenditures ...	<u>177,583</u>	<u>99,216</u>
	<u>214,987</u>	<u>110,677</u>
Decrease in working capital .....	54,828	96,554
Working capital at beginning of year .....	<u>150,203</u>	<u>246,757</u>
Working capital at end of year .....	<u>\$ 95,375</u>	<u>\$150,203</u>

### AUDITORS' REPORT

To the Shareholders of  
Giant Explorations Limited (N.P.L.)

We have examined the balance sheet of Giant Explorations Limited (N.P.L.) at November 30, 1968 and the statements of deferred exploration, development and administration expenditures and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company at November 30, 1968 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON  
Chartered Accountants.

January 25, 1969





